



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 10-20: Board for Architects, Professional Engineers, Land Surveyors, Certified Interior Designers and Landscape Architects, Rules and Regulations Department of Professional and Occupational Regulation

April 12, 2004

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

The Board for Architects, Professional Engineers, Land Surveyors, Certified Interior Designers and Landscape Architects (board) propose to: 1) require that for future applicants with a degree in landscape architecture to become certified landscape architects, they must obtain at least 12 months of experience/training under the direct control and personal supervision of a licensed or certified landscape architect and another 24 months of experience/training under the direct control and personal supervision of either a licensed or certified landscape architect, architect, professional engineer, or land surveyor, 2) repeal the requirement that applicants for architect licensure be enrolled in the National Council of Architectural Registration Board's (NCARB) Intern Development Program (IDP) for at least one year prior to submitting an application for original licensure, 3) require that applicants for any of the board's licenses or certifications demonstrate that they are aware of relevant regulatory and statutory issues by providing answers to questions in their application package, 4) change the required number of

days prior to the architecture, landscape architecture, principles and practice of engineering, and principles and practice of land surveying exams that applicants must submit full applications from 120 days to 130 days, 5) require that responsible persons for registered professional corporations, registered professional limited liability companies, and other registered business entities notify the board in writing of any changes in their employment status within 30 days of such change, 6) eliminate certain requirements when using electronic seals and signatures, and 7) make numerous changes for clarification.

Estimated Economic Impact

Landscape architect certification

In order to become a certified landscape architect under the current regulations, individuals must pay an application fee, pass an examination prepared by the Council of Landscape Architectural Registration Boards (CLARB) and either have graduated from an accredited landscape architecture program or have had eight years of combined applicable education and experience. For individuals who have graduated from an accredited landscape architecture program, the board proposes to require the following additional requirements: at least 12 months of experience/training under the direct control and personal supervision of a licensed or certified landscape architect and another 24 months of experience/training under the direct control and personal supervision of either a licensed or certified landscape architect, architect, professional engineer, or land surveyor.

The proposed new requirements are burdensome for individuals who have graduated from an accredited program and have passed the qualifying examination, but who would not have otherwise chosen to work for other certified individuals for three years. Such persons may prefer to start their own business or work in other circumstances that could pay a higher salary or be located closer to their preferred location.

The benefits of the proposed new requirements are uncertain. Earning a degree from an accredited institution and passing the qualifying examination both provide evidence of knowledge and skill associated with landscape architecture. Recent graduates can potentially gain significant knowledge and skill by working for more experienced landscape architecture certificate holders. On the other hand, a talented individual who has earned the degree and passed the CLARB exam may be better acquainted with the latest developments in the science of

landscape architecture than a certified landscape architect who has not been closely following progress in relevant knowledge and procedures. Mandating that the aforementioned talented individual work for someone who may be less knowledgeable concerning important developments may provide little benefit. As stated, the proposed requirements include 24 months of experience/training under the direct control and personal supervision of someone who may be a licensed architect, licensed professional engineer, or licensed land surveyor, but who does not need to be a certified landscape architect. It is unclear why having the certificate applicant working for non-landscape architect licensees such as licensed land surveyors would be of any value to consumers relying on certification as a signal of professional qualifications in landscape architecture. In fact, it could lead to a misplaced confidence in the credentials of the licensee.

Certification is only required for professionals to list or advertise themselves as a “certified landscape architect” or a “landscape architect.” Professionals do not need to become certified to provide and sell landscape architectural services in Virginia. Instead they can, for example, call themselves landscape designers and provide and sell all of the same services. Those individuals who would not have pursued employment in the manner proposed to be required for certification will need to decide if the use of the title is important enough for them to change their work plans. It seems likely that at least some such individuals will choose instead to forego certification. Others will choose to alter their work plans and seek employment in a firm with certified landscape architects. This would represent an increase in supply of individuals seeking to supply their labor services to firms that already have certified landscape architects. An increased supply in workers would likely reduce the market salary those workers earn, everything else being equal.

The new proposed requirements will likely increase the cost for consumers to purchase the services of professionals with the title of certified landscape architect in Virginia. The proposal makes it more costly to obtain certification. As discussed above, the extra cost will raise the cost of entering the profession and, hence, raise the cost to consumers of obtaining those services. The portion of the increased costs resulting from the second and third years of internship are much less likely to be associated with significant benefits for the public than the first year for two reasons: 1) the gain in useful knowledge obtained through supervision is likely to diminish over time, and 2) the increase in professional competence as a landscape architect

from being supervised by a non-landscape architect is not likely significant. Since the portion of the increased costs resulting from the second and third years of internship are much less likely to be associated with any significant benefits for the public, these costs can be expected to reduce the expected net benefits from the proposed regulations.

Architect licensure

In order to become a licensed architect, individuals must pay an application fee, hold a professional degree in architecture from an accredited program, pass an examination prepared by the National Council of Architectural Registration Boards (NCARB), have at least 12 months experience/training in architecture as an employee in the office of a licensed architect, successfully complete the NCARB Intern Development Program (IDP) in no less than three years, and obtain three references. The NCARB IDP concerns on-the-job training for architects following training guidelines established by NCARB.

The current regulations state that: “An applicant shall be enrolled in NCARB IDP for a period of one year or more prior to submitting an application for original licensure in Virginia.” The requirement that architecture license applicants not apply until they have been enrolled in NCARB IDP for at least a year does not affect most applicants since NCARB IDP typically takes three years to complete.¹ On the other hand, there are individuals who have not enrolled in NCARB IDP, but have experience that either satisfies all or most of NCARB IDP training requirements. Under the current regulations, even if NCARB determines that these individuals’ training completely satisfies NCARB IDP, they must wait a year before they can obtain licensure. The board proposes to eliminate the requirement that applicants must be enrolled in NCARB IDP for at least one year prior to applying for licensure. This proposed amendment will create a net benefit. Affected individuals will be able to work as licensed architects one year sooner. Since these individuals will have already satisfied all requirements pertaining to knowledge and ability, there is no cost to the public associated with their working as licensed architects one year sooner.

¹ Source: Department of Professional and Occupational Regulation

Examination on regulations

The board proposes to require licensure and certification applicants to demonstrate that they are aware of the stated requirements within the regulations and statutes that apply to their profession by providing answers to questions in their application package. The applicants are given the Internet addresses for viewing the applicable regulations and statutes.² The Department of Professional and Occupational Regulation (department) will mail copies of the regulations and statutes to applicants who do not have Internet access. According to the department, the answers to the questions will be readily apparent within the regulations and statutes. This proposed requirement will create some cost for applicants in that they will spend time answering questions that they could have used productively in other activities. Those applicants who would have read the regulations and statutes carefully without this proposed requirement incur a smaller new cost than do the applicants who would not have read the documents carefully. The proposed requirement will likely result in greater awareness of the details of state rules and requirements by licensees and certificate holders. Greater awareness of the details within the regulations and statutes will most likely create some degree of greater compliance with those rules and requirements.

Individuals without extensive experience reading the law may have difficulty interpreting regulations and statutes. Making sense of laws and regulations takes significant time and effort for even experienced readers. In fact, the department is in a much better position to interpret the requirements of law and regulation than are most licensees. Rather than just providing applicants with access to the regulations and pertinent statutes, the department could improve the likelihood that applicants will understand the legal requirements associated with their profession by providing summaries of those requirements in laymen's terms. If done well, this would help accomplish the intended goal of testing applicants on the stated requirements within the regulations and statutes; i.e., increased knowledge by the regulated professionals upon the legal requirements of their profession. In addition to improving understanding, such a department effort would save an indeterminate amount of time, effort, and possibly frustration on the part of licensees.

² Source: Department of Professional and Occupational Regulation

Required time frames for submissions

Under the current regulations, licensure and certification applicants who need to take and pass the architecture, landscape architecture, principles and practice of engineering, or principles and practice of land surveying exam, must submit their application at least 120 days prior to the scheduled exam date. In practice, the department posts specific application due dates (which are 120 days before the exam dates) on their website. Thus far the department has been able to process applications within 120 days. It is concerned though, that at current staffing levels it may not be able to meet the processing workload within 120 days if there is significant growth in the number of applications. The board proposes to amend the 120-day figure to 130 days so that the department will have sufficient time to process applications at times of high demand. The department does intend to keep posting due dates of 120 days prior to the exam date for as long as demand stays at a level that can be handled within 120 days.

As long as the department continues to post application due dates of 120 days prior to the examination the proposed amendment will have no effect. If the department does post an application due date that is 130 days prior to examination, most applicants will likely be able to comply with little or no additional cost. For a small number of applicants the greater required number of days in advance that the completed applications must be completed may cause a delay in when they can take their required examination and earn licensure or certification. The landscape architecture, principles and practice of engineering, and principles and practice of land surveying examinations are offered twice a year. Thus, a small number of landscape architects, professional engineers, and land surveyors who would have submitted their completed application 120 days ahead of exam time, but are unable³ to submit their application 130 days ahead of time, may have to wait about six additional months to become certified or licensed. The architecture exam is offered six days a week year round. Thus for architecture license applicants, the extra 10 days could delay their licensure by 10 or 11 days. Hiring additional staff to handle peak times would be costly. Expenditures would need to be made for training as well as wages. It is not known how many individuals would have their licensure or certification delayed due to earlier application due dates, but it is likely to be quite small. Estimates for how many individuals would have their licensure or certification delayed would be needed to

³ or consider it too costly

determine whether the proposed cumulative costs of those delays would exceed the costs of hiring and training additional staff for the department. Data for such estimates are not currently available.

The current regulations require that responsible persons for registered professional corporations, registered professional limited liability companies, and other registered business entities notify the board in writing of any changes in their employment status within 10 days of such change. The board proposes to allow responsible persons up to 30 days for notification. At times of change in employment status individuals may find it particularly difficult to find the time (and to remember) to send written notifications to the board. This proposed amendment makes compliance easier. Since the board determined notification within 30 days is sufficient for its purposes, this proposed change produces a net benefit.

Electronic seals and signatures

Under the current regulations, in order for licensees and certificate holders to use an electronic seal, signature, and date, in lieu of an original seal signature, and date, the electronic information must be:

linked to the document file in such a manner that changes are readily determined and visually displayed if any data contained in the document file was changed subsequent to the electronic seal, signature and date giving been affixed to the document; and changes to the document after affixing the electronic seal, signature and date shall cause the electronic seal, signature and date to be removed or altered in such a way as to invalidate the electronic seal, signature and date.

The board proposes to eliminate these requirements. It has determined: 1) that the requirements are not met by any software that is currently commercially available, and 2) that electronic seals, signatures, and dates do not produce greater risk of fraud than do paper seals, signatures, and dates. Eliminating these requirements will make the use of electronic seals, signatures, and dates feasible for licensees and certificate holders. Using electronic seals, signatures, and dates can at times significantly reduce the cost of doing business since electronic information can be delivered close to instantaneously and at very little marginal cost, while sending paper documents can take days and cost more in delivery charges. Applicable electronic encryption

software is also readily available. To the extent that the risk of fraud is not increased, this proposed amendment will produce net benefits.

Businesses and Entities Affected

The proposed regulations affect the 33,100⁴ architects, professional engineers, land surveyors, interior designers, landscape architects, and associated businesses that are licensed, certified, or registered in Virginia, as well as their clients.

Localities Particularly Affected

The proposed regulations affect localities throughout the Commonwealth.

Projected Impact on Employment

The proposal to require that in order to become a certified landscape architect, applicants with a degree in landscape architecture must obtain at least 12 months of experience/training under the direct control and personal supervision of a licensed or certified landscape architect and another 24 months of experience/training under the direct control and personal supervision of either a licensed or certified landscape architect, architect, professional engineer, or land surveyor, may encourage some landscape architects to pursue such employment opportunities who would have otherwise started their own business or work for an employer who does meet those descriptions. The proposal to repeal the requirement that applicants for architect licensure be enrolled in NCARB IDP for at least one year prior to submitting an application for original licensure will permit affected individuals to begin their practice as licensed architects up to one year sooner. The proposal to require license and certification applicants to submit their completed applications 130 days prior to examination can delay when applicants become licensed or certified.

Effects on the Use and Value of Private Property

Firms with licensed or certified landscape architects, architects, professional engineers, or land surveyors may find the supply of landscape architects willing to work for them to be increased due to the proposed new requirement for landscape architecture certification. An increased supply in workers would likely reduce the market salary those workers earn, everything else being equal. Those firms will therefore have their value increased. Also, since

⁴ Source: Department of Professional and Occupational Regulation

the proposed new requirement for landscape architecture certification will likely discourage some individuals from pursuing the certification, the total market supply of services offered by certified landscape architects will likely decrease. When the supply of offered services is reduced, consumers pay higher market prices more to obtain those services. Thus, the value of certified landscape architecture firms will increase with the resulting increased market prices.

The repeal of the requirement that applicants for architect licensure be enrolled in the National Council of Architectural Registration Board's (NCARB) Intern Development Program (IDP) for at least one year prior to submitting an application for original licensure will allow affect individuals work as licensed architects up to one year sooner. This will allow those professionals to potentially earn greater income and increase the value of their practices commensurately.

The proposed elimination of specified requirements for the use of electronic seals, signatures, and dates will likely lead to increased use of electronic seals, signatures, and dates. This has the potential to reduce the costs of doing business for firms, and consequently raising their value commensurately.